

The Scope of Protection Under §§ 2 & 43 of the Lanham Act

by
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Both §§ 2 and 32 and § 43 of the Lanham Act can serve as the statutory basis for a trademark infringement claim. Sections 2 and 32 may only be invoked for registered marks whereas § 43 may be invoked for any marks. This Article examines what if any differences exist between the two statutory schemes in determining the threshold question of protectability of a mark. Despite significant differences in statutory language; Supreme Court precedent, lower court case law, and current scholarly criticism all indicate that the standards for protectability of a mark under §§ 2 and 43 do not differ.

Background

The Lanham Act¹ provides holders of marks, whether or not registered, with a cause of action to protect their marks from infringement.² Generally speaking, infringement occurs when an entity other than the senior mark holder uses a mark in connection with goods or services in a manner likely to cause confusion with respect to the senior mark.³ As a threshold to this cause of action, the senior mark must itself be protectable.⁴ In order to be protectable, “a mark must be capable of distinguishing” one mark user’s goods or services from another’s—in other words a

¹ 15 U.S.C. §§ 1051–1141n (2006).

² *See id.* §§ 1052, 1114, 1125(a).

³ *See, e.g.,* Kellogg Co. v. Toucan Golf, Inc., 337 F.3d 616, 623 (6th Cir. 2003); AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 348–49 (9th Cir. 1979), *abrogated on other grounds by* Mattel, Inc. v. Walking Mountain Productions, 353 F.3d 792 (9th Cir. 2003); *see also* 15 U.S.C. §§ 1114, 1125(a).

⁴ *E.g.,* Zatarains, Inc. v. Oak Grove Smokehouse, Inc., 698 F.2d 786, 790 (5th Cir. 1983), *abrogated on other grounds by* KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 543 U.S. 111 (2004); Vision Ctr. v. Opticks, Inc., 596 F.2d 111, 115 (5th Cir. 1979); Am. Heritage Life Ins. Co. v. Heritage Life Ins. Co., 494 F.2d 3, 10 (5th Cir. 1974).

mark must be sufficiently “distinctive.”⁵ The law measures distinctiveness on a scale from “generic” to “fanciful,” with “suggestive” or “descriptive with secondary meaning” required as a minimum for protectability.⁶

Marks may be registered under § 2 of the Lanham Act, but protectability does not depend on such registration.⁷ Mark owners may bring actions to protect marks registered under § 2⁸ via § 32,⁹ and to protect marks not registered under § 43(a).¹⁰ While registration status affects important litigation issues such as which party bears the burden of proof on validity,¹¹ courts have largely treated the substantive inquiry of the protectability of registered and unregistered marks identically.¹² Despite courts’ largely unified treatment, the statutory language of §§ 2 and 43(a) bear little resemblance.¹³ Most significantly, § 2 bars marks from registration if they have any of a variety of explicitly enumerated characteristics.¹⁴ Under § 2, a mark may not be registered—and thus is not protectable via § 32—if it:

- Includes “immoral, deceptive, or scandalous matter”;¹⁵
- “[D]isparage[s] or falsely suggest[s] a connection;¹⁶
- Falsely indicates geography if a spirit or wine;¹⁷

⁵ *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768–69 (1992); *see also Vision Ctr.*, 596 F.2d at 115; *Am. Heritage Life Ins. Co.*, 494 F.2d at 11.

⁶ *See, e.g., Two Pesos, Inc.*, 505 U.S. at 768–69; *Vision Ctr.*, 596 F.2d at 115–16; *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9–11 (2d Cir. 1976).

⁷ *See* 15 U.S.C. §§ 1052, 1114, 1125(a).

⁸ *Id.* § 1052.

⁹ *Id.* § 1114.

¹⁰ *Id.* § 1125(a).

¹¹ *See id.* § 1115.

¹² *See, e.g., Two Pesos, Inc.*, 505 U.S. at 768; *see also* 5 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 27:18 (4th ed.).

¹³ *Compare* 15 U.S.C. §§ 1052, 1114, *with* 15 U.S.C. § 1125.

¹⁴ *See* 15 U.S.C. § 1052.

¹⁵ *Id.* § 1052(a).

¹⁶ *Id.*

¹⁷ *Id.*

- Includes a “flag or coat of arms” of a government;¹⁸
- Includes a signature of a living person, or a deceased president with a living spouse, without permission;¹⁹
- Is likely “to cause confusion” with a registered mark;²⁰
- “[I]s primarily geographically deceptively misdescriptive”;²¹
- Is functional;²²
- Has been challenged and found to cause dilution;²³ or
- Lacks secondary meaning and²⁴:
 - “[I]s merely descriptive or deceptively misdescriptive”;²⁵
 - “[I]s primarily geographically descriptive”;²⁶ or
 - “[I]s primarily merely a surname.”²⁷

Section 43(a) provides no analogous explicit restrictions on which marks may be protected.²⁸ To fill this void, courts have created a doctrine by which the protectability of marks are judged in a § 43(a) action.²⁹ Thus far this doctrine consists entirely of imported § 2 requirements.³⁰

However, of the specific statutory exclusions in § 2, courts tackling § 43(a) mark protectability

¹⁸ *Id.* § 1052(b).

¹⁹ *Id.* § 1052(c).

²⁰ *Id.* § 1052(d).

²¹ *Id.* § 1052(e).

²² *Id.*

²³ *Id.* § 1052(f).

²⁴ *Id.*

²⁵ *Id.* § 1052(e).

²⁶ *Id.*

²⁷ *Id.*

²⁸ But for functionality. *See id.* § 1125(a).

²⁹ *See Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 776 (1992) (Stevens, J., concurring); *A.J. Canfield Co. v. Honickman*, 808 F.2d 291, 299 n.9 (3d Cir. 1986).

³⁰ As derived from reviewing cases citing the “. . . broader range . . . general principles . . .” headnote from *Two Pesos* on Westlaw. *See infra* notes 33, 35 and accompanying text.

have only addressed the prohibitions on marks which are generic,³¹ functional, or descriptive without secondary meaning.³² Furthermore, in *Two Pesos, Inc. v. Taco Cabana, Inc.*, the Supreme Court stated that “[§] 43(a) ‘prohibits a broader range of practices than does § 32.’”³³ Since prohibiting activities with respect to a mark requires protectability of that mark, this statement could be read to indicate that § 43(a) protects marks that §§ 2 and 32 cannot. This possible reading combined with the incomplete but as of yet unwavering pure importation of § 2 doctrine into § 43(a) actions begs the broader question: to what extent are marks that would be unregistrable under § 2 of the Lanham Act nonetheless protectable under § 43(a)?

Analysis

I. Unregistrable marks are likely not protectable under § 43(a).

Marks that would be unregistrable under § 2 likely cannot enjoy protection under § 43(a). First, the leading treatise on the subject speaks forcefully in favor of a complete substantive unification of the two sections:

While some persons seem to feel that § 43(a), being a separate statutory section, ought to have its own separate and unique set of substantive rules for infringement cases, this is not and never has been the law. Rather, § 43(a) is a federal “vehicle” or “platter” which brings infringement suits into federal court. What is contained in or on that “vehicle” or “platter” is the classic substantive law of trademarks and unfair competition. This is the only rational and proper role for § 43(a) to play in the infringement context.

What the law does not need is a separate set of different substantive trademark rules followed in § 43(a) cases. That is, there is no need for a new and vaguely defined subset of substantive rules followed in federal courts in § 43(a) infringement cases that differ in some mysterious way from the rules followed in state courts or in federal courts under diversity or

³¹ While a prohibition on generic marks does not explicitly appear in § 2, it may be fairly implied as a § 2 type requirement when § 2 is read in the context of Subchapter I of the Lanham Act. See 15 U.S.C. §§ 1051–1072. Section 14 in particular supports this implication by explicitly providing for the cancelation of registration if a mark “becomes the generic name for the goods or services.” See *id.* § 1064.

³² See, e.g., *Two Pesos, Inc.*, 505 U.S. at 767–70 (majority); *A.J. Canfield Co.*, 808 F.2d at 299 n.9. None of the cases citing the *Two Pesos* headnote on Westlaw include any of the terms “immoral,” “scandalous,” “deceptive,” *et cetera*, in referring to the § 2 restrictions imported into § 43(a).

³³ *Two Pesos, Inc.*, 505 U.S. at 768 (quoting *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 858 (1982)).

federally registered mark claims. To persist in the view that § 43(a) in the infringement setting is a unique and arcane set of substantive laws is not only legally erroneous, but provides inferior justice. A plethora of different rules and standards provides neither predictability nor consistency, both hallmarks of a rational and democratic legal system.³⁴

Second, while often vaguely noting that § 43(a) is broader than § 2, courts have invariably applied § 2 standards of mark protectability in § 43(a) actions. In *Two Pesos*, the Supreme Court held that “it is common ground that § 43(a) protects qualifying unregistered trademarks and that the general principles qualifying a mark for registration under § 2 of the Lanham Act are for the most part applicable in determining whether an unregistered mark is entitled to protection under § 43(a).”³⁵ The Court then recited the applicable § 2 protectability doctrine and applied it to a § 43(a) claim.³⁶ While the majority failed to flesh out why § 2 doctrine was applicable to a § 43(a) claim, Justice Stevens expounded on this issue in his concurrence:

I think it is important to recognize that the meaning of [§ 43(a)] has been transformed by the federal courts over the past few decades. I agree with this transformation, even though it marks a departure from the original text, because it is consistent with the purposes of the statute and has recently been endorsed by Congress.

....

Congress has revisited this statute from time to time, and has accepted the “judicial legislation” that has created this federal cause of action. Recently, for example, in the Trademark Law Revision Act of 1988, . . . Congress codified the judicial interpretation of § 43(a), giving its imprimatur to a growing body of case law from the Circuits that had expanded the section beyond its original language.

. . . [With the 1988 amendments, f]irst, Congress broadened the language of § 43(a) Second, Congress approved and confirmed the extensive judicial development under the provision, including its application to trade dress that the federal courts had come to apply. Third, the legislative history of the 1988 amendments reaffirms Congress’ goals of protecting both businesses and consumers with the Lanham Act. And fourth, Congress explicitly extended to any violation of § 43(a) the basic Lanham Act remedial provisions whose text previously covered only registered trademarks. The aim of the amendments was to apply the same protections to

³⁴ 5 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 27:18 (4th ed.).

³⁵ *Two Pesos, Inc.*, 505 U.S. at 768 (citing *A.J. Canfield Co.*, 808 F.2d at 299 n.9; *Thompson Med. Co., Inc. v. Pfizer Inc.*, 753 F.2d 208, 215–16 (2d Cir. 1985)).

³⁶ *Id.* at 768–70.

unregistered marks as were already afforded to registered marks. . . . These steps buttress the conclusion that § 43(a) is properly understood to provide protection in accordance with the standards for registration in § 2.³⁷

Hence the notion originally expressed in *A.J. Canfield Co. v. Honickman*, that “federal law under § 43(a) of the Lanham Act generally follows the principles established by statute and the courts for registered marks”³⁸ gets support not only from the general “judge-made” rules of § 43(a) but also from legislative history.

A review of cases subsequent to *Two Pesos* implicating the protectability of a mark under § 43(a) further buttresses the convergence of §§ 2 and 43(a): courts have unwaveringly applied § 2 protectability standards to § 43(a) claims.³⁹ Some courts have simply quoted *Two Pesos* directly and then applied § 2 standards to § 43(a) claims.⁴⁰ Others have paraphrased the *Two Pesos* holding without substantively altering or expanding upon it.⁴¹ Still others have merely cited *Two Pesos* in applying § 2 standards to § 43(a) claims without explaining how § 2 fits into a § 43(a) action.⁴² In all cases the courts have directly imported § 2 doctrine into § 43(a) actions

³⁷ *Id.* at 776, 783–84 (Stevens, J., concurring) (citations omitted).

³⁸ *A.J. Canfield Co.*, 808 F.2d at 299 n.9.

³⁹ This subset of cases was primarily derived by searching for those citing the “. . . broader range . . . general principles . . .” headnote from *Two Pesos* on Westlaw. *See supra* notes 33, 35 and accompanying text.

⁴⁰ *See, e.g.*, *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 454 F.3d 108, 116 (2d Cir. 2006); *Gen. Healthcare Ltd. v. Qashat*, 364 F.3d 332, 336 n.6 (1st Cir. 2004); *DaimlerChrysler v. The Net Inc.*, 388 F.3d 201, 205 (6th Cir. 2004); *EMI Catalogue P'ship v. Hill, Holliday, Connors, Cosmopolulos Inc.*, 228 F.3d 56, 62 (2d Cir. 2000); *Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033, 1038 (2d Cir. 1992); *Dwyer Instruments, Inc. v. Sensocan, Inc.*, No. 3:09-CV-10-TLS, 2012 WL 2049921, at *11 n.2 (N.D. Ind. June 5, 2012); *Door Doctor W., Inc. v. Overhead Door Doctor, Inc.*, No. CIV-08-0292-PHX-MHB, 2008 WL 4704377, at *2 (D. Ariz. Oct. 24, 2008); *Prof'l Sound Services, Inc. v. Guzzi*, 349 F. Supp. 2d 722, 730–31 (S.D.N.Y. 2004), *aff'd*, 159 F. App'x 270 (2d Cir. 2005); *Pfizer Inc. v. Astra Pharm. Products, Inc.*, 858 F. Supp. 1305, 1317 (S.D.N.Y. 1994).

⁴¹ *See, e.g.*, *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 210 (2000); *Bd. of Supervisors for Louisiana State Univ. Agric. & Mech. Coll. v. Smack Apparel Co.*, 550 F.3d 465, 475 (5th Cir. 2008); *DeGidio v. W. Group Corp.*, 355 F.3d 506, 509 (6th Cir. 2004); *ETW Corp. v. Jireh Pub., Inc.*, 332 F.3d 915, 921–22 (6th Cir. 2003); *Delaware Valley Fin. Group, Inc. v. Principal Life Ins. Co.*, 640 F. Supp. 2d 603, 622 (E.D. Pa. 2009); *Pfizer Inc. v. Astra Pharm. Products, Inc.*, 858 F. Supp. 1305, 1317 (S.D.N.Y. 1994).

⁴² *See, e.g.*, *Tumblebus Inc. v. Cranmer*, 399 F.3d 754, 760–62 (6th Cir. 2005); *Protectmarriage.com v. Courage Campaign*, 680 F. Supp. 2d 1225, 1228 (E.D. Cal. 2010).

without any alteration. Notably, the Supreme Court itself invoked the *Two Pesos* holding in *Wal-Mart Stores, Inc. v. Samara Bros., Inc.* as it applied the explicit § 2 requirement of distinctiveness for trade dress to a § 43(a) claim.⁴³ Thus the Court imported not just the general judge-made § 2 doctrine that Justice Stevens discussed in *Two Pesos*, but also the explicit statutory requirements of § 2.

Given the leading treatise on the subject, the Supreme Court’s opinions on the subject, and the unanimity of importation of § 2 doctrine into § 43(a) actions in case law, a rule that would protect a mark under § 43(a) even though unregistrable under § 2 seems unlikely to gain acceptance. The “broader range of practices” prohibited by § 43(a) that the Court referred to in *Two Pesos*⁴⁴ will likely be interpreted as referring to the other unfair competition torts stemming from § 43(a)—for example product disparagement⁴⁵—rather than the protection of marks unregistrable under § 2.

II. One could credibly argue that § 43(a) should protect some unregistrable marks.

An argument that § 43(a) should protect marks unregistrable under § 2 holds some merit. First, the similarities and differences in the statutory language of the two sections may indicate that § 2 exclusions should not be read into § 43(a). While § 43(a) does not include an extensive list of exclusions as § 2 does, the two sections do have one explicit exclusion in common: § 43(a) specifically excludes functional trade dress from its scope,⁴⁶ just as § 2 specifically excludes

⁴³ *Wal-Mart Stores, Inc.*, 529 U.S. at 210.

⁴⁴ *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992) (majority) (quoting *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 858 (1982)). The opinion the Court quoted from, *Inwood Laboratories, Inc.*, provides no explanation of what that “broader range of practices” might be. See *Inwood Laboratories, Inc.*, 456 U.S. at 858.

⁴⁵ See 15 U.S.C. § 1125(a)(1)(B) (2006).

⁴⁶ *Id.* § 1125(a)(3).

functionality from its scope.⁴⁷ Given that Congress saw fit to include similar explicit exclusions in both sections, it clearly knew how to make the type of explicit exclusions present in § 2 when it drafted § 43(a). However, Congress failed to do so beyond functionality. Since “[w]hen Congress includes a specific term in one section of a statute but omits it in another section of the same Act, it should not be implied where it is excluded,”⁴⁸ one could argue that any additional explicit exclusions in § 2 not present in § 43(a) should not be read into § 43(a).

Second, the explicit § 2 limitations not present in § 43(a) which have been enforced by the courts—disallowing generic or functional marks and requiring secondary meaning of descriptive marks—are arguably born of the underlying concept that for a mark to be protectable at all it “must be capable of distinguishing the applicant's goods from those of others.”⁴⁹ In *Wal-Mart*, the Court actually derived the distinctiveness requirement in part from that fundamental question: “[n]othing in § 43(a) explicitly requires a producer to show that its trade dress is distinctive, but courts have universally imposed that requirement, since without distinctiveness the trade dress would not ‘cause confusion . . . as to the origin, sponsorship, or approval of [the] goods,’ as the section requires.”⁵⁰ Theoretically a mark with a flag or scandalous material could be used in such a way as to distinguish one’s goods from another’s just as sufficiently as any other mark. Thus one could argue that the § 2 exclusions that courts have already seemingly imported into § 43(a) really come from underlying concerns rather than the statutory language of § 2, and accordingly, that courts should not import any additional § 2 exclusions simply because of their presence in § 2 language.

⁴⁷ *Id.* § 1052(e)(5).

⁴⁸ *Arizona Elec. Power Co-op., Inc. v. United States*, 816 F.2d 1366, 1375 (9th Cir. 1987).

⁴⁹ *Two Pesos, Inc.*, 505 U.S. at 768.

⁵⁰ *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 210 (2000) (quoting 15 U.S.C. § 1125(a)).

While these counterarguments carry some force, the momentum of the unification of §§ 2 and 43(a) outlined in Part I, *supra*, currently points to the importation of all the § 2 exclusions into § 43(a) including those unrelated to source indication. Thus marks that would be unregistrable under § 2 likely cannot enjoy protection under § 43(a).

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